

## Opening Statement

Representative Elijah E. Cummings (MD-7)

Subcommittee on the Federal workforce and Agency Organization hearing entitled,  
“Adding a Real Estate Investment Trust (REIT) Index Option to the Thrift Savings Plan:  
Considering the Views and Advisory Role of the Employee Thrift Advisory Council.”

U.S. House of Representatives  
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Mr. Chairman, thank you for calling this critically important hearing to examine the Employee Thrift Advisory Council’s opposition to the Real Estate Investment Thrift Savings Act (H.R. 1578).

The Federal Employees Retirement System Act of 1986 established the TSP. Today it represents an essential component of federal employees overall compensation package and retirement benefits, and is the largest-defined contribution plan in the nation.

Under the TSP federal employees can invest a share of their income in five funds. H.R. 1578 would direct the Federal Retirement Thrift Investment Board to add a REIT fund option to the TSP. While research indicates that REITs from 1988-2004 outperformed all of the funds under the TSP, Congress must seriously consider the views of the Federal Retirement Thrift Investment Board and the Employee Thrift Advisory Council when evaluating the merits of H.R. 1578.

In moving forward, we must ensure that the TSP remains simple, apolitical, and well-equipped with Fund options that can provide TSP participants with the best return on their investment.

Make no mistake, we must never lose sight of the fact that the retirement benefits the federal government offers to TSP

participants represents one of its greatest tools to attract and retain the best and the brightest to serve our great nation. Nor should we forget that our decisions will resonate, for good or ill, in the retirement security of 3.5 million participants who are likely to rely on the TSP in the twilight of their years.

With that in mind, I believe we should use this hearing as an opportunity for some further deliberation by sincerely reflecting on the position of the TSP's legal fiduciaries and the position of the organizations that represent federal employee groups. In the end, our decision should hinge solely on whether enactment of H.R. 1578 is in the best interest of the TSP's participants.

I look forward to the testimony of today's witnesses and yield back the balance of my time.